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## Medicare News

For Immediate Release:

Friday, September 23, 2005

Contact:

CMS Office of Public Affairs  
202-690-6145

For questions about Medicare please call 1-800-MEDICARE or visit [www.medicare.gov](http://www.medicare.gov).

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## MEDICARE APPROVES PLANS TO OFFER DRUG COVERAGE IN ALABAMA

### MANY PLANS TO OFFER PREMIUMS LOWER THAN \$20

People with Medicare in Alabama will be able to get prescription drug coverage in January, through their choice of either a newly approved stand-alone prescription drug plan that works with traditional Medicare, or a Medicare Advantage plan that offers drug coverage and other benefits, the Centers for Medicare & Medicaid Services (CMS) announced today. In Alabama, 16 organizations will offer stand-alone prescription drug plans, including one with a premium of less than \$20 a month. People with Medicare in Alabama can also get drug coverage with additional benefits and even lower total out-of-pocket costs by enrolling in Medicare Advantage plans. The Medicare Advantage options include one new statewide PPO plan and in 2006, four Medicare Advantage organizations will provide prescription drug coverage for no additional cost.

"Thanks to the range of options available, everyone in Medicare who lives in Alabama will be able to choose a prescription drug plan that addresses their individual concerns about cost, coverage and convenience," Health and Human Services Secretary Mike Leavitt said. "For premiums that are in many cases much lower than expected seniors will be able to get Medicare-approved prescription drug coverage that will help protect their health as well as their savings."

Prescription drug coverage will be available to everyone in Medicare, regardless of their income or how they get their Medicare coverage. Extra assistance is available to those with limited incomes and resources. Of the organizations offering drug coverage in Alabama, eight will have prescription drug plans available with no premium to beneficiaries who qualify for that extra help.

"Today CMS notified plans that have met all of Medicare's standards and are approved to compete to provide Medicare prescription drug coverage," said CMS Administrator Mark McClellan M.D., Ph.D. "Plan marketing will begin on schedule on October 1. As we approach the start of enrollment on November 15, Medicare will work with our partners in Alabama and around the country to help people with Medicare make their decisions."

All plans approved in Alabama have met Medicare's requirements for providing access to medically necessary drugs, including formulary standards as well as standards for access to convenient retail pharmacies and to drugs in nursing homes. All plans are required to provide coverage at least as good as Medicare's standard coverage, which pays on average 75 percent of drug costs after a \$250 deductible up to \$2,250 in total drug spending. The coverage also pays approximately 95 percent after \$3,600 in out-of-pocket costs to protect against very high drug expenses. This means that for a monthly premium that is lower than expected, Medicare would pay more than half of a typical beneficiary's drug costs, or more than \$1,100.

"As a result of the strong competition in Alabama, Medicare coverage will include options that cost less and also that provide coverage that goes beyond Medicare's standard benefit," Dr. McClellan said. "With better opportunities to save and to get the coverage that works for you, it's about time to start thinking about how you or someone you care about can take advantage of the new coverage."

Everyone who cares about someone in Medicare can also help, Secretary Leavitt and Dr. McClellan emphasized. A guide on how to talk about the prescription drug coverage will be included in the September 25 edition of *Parade* magazine, including a call for families to discuss the drug coverage as they gather the day after Thanksgiving.

"Any time is a good time to talk about Medicare's drug coverage, but we'd like to create a national conversation at a time when a lot of people gather with family and friends and just catch up on their lives," Secretary Leavitt said.

"Take a few minutes to talk about Medicare's drug coverage – it could change the life of someone you love," Dr. McClellan said. "We will use the detailed information on drug plans that will be available in the weeks ahead to help every Medicare beneficiary choose a plan that is a good fit."

More information to help guide these conversations will be published in the coming weeks. In early October, the *Medicare & You 2006* handbook will be mailed to every

Medicare household. Beneficiaries with coverage now, for example from a former employer, should also get information by November 15 on how that coverage will work with Medicare's new benefits. Beginning in mid-October, Medicare's website, [www.medicare.gov](http://www.medicare.gov), and its 24-hour toll-free number, 1-800-MEDICARE (1-800-633-4227), will also have specific information available to help beneficiaries find the drug coverage that suits their needs.

To get a fit that works for them, beneficiaries should make a note of any current drug coverage, their prescription drugs and their preferences about pharmacies or additional coverage. Medicare beneficiaries in Alabama can also get personalized, local assistance by calling their State Health Insurance Assistance Program at 1-800-243-5463.

A map of the prescription drug plan and Medicare Advantage plan regions can be found at <http://www.cms.hhs.gov/medicarereform/mmaregions/>

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